



FAIR WORK
AUSTRALIA

13 December 2011

Mr Chris Cotching
Branch President
Australian Principals Federation
Victorian Branch
Unit 2/13-21 Vale Street
NORTH MELBOURNE VIC 3051
By email: apf@apf.net.au

Dear Mr Cotching

Fair Work (Registered Organisations) Act 2009 – (RO Act)
Fair Work (Registered Organisations) Regulations 2009 – (RO Regs)
Financial report for year ended 30 June 2010 – FR2011/2788

I acknowledge receipt of the financial report for year ended 30 June 2010 for the Victorian Branch of the Australian Principals Federation. The document was lodged with Fair Work Australia (FWA) on 2 December 2011.

The financial report has been filed, No further action is required for the 2010-2011 financial report.

However, there are several matters that will require attention when preparing future financial reports. These matters were brought to the organisation's attention in response to the previous year's financial report (see letter attached) but none of these matters have been complied with. Please ensure these changes are promptly implemented in the APF's financial reporting templates in readiness for future financial reports.

Notes to the financial statement - reproduction of s.272(1), (2) and (3) of RO Act

Section 272(5) requires subsections 272(1), (2) and (3) be reproduced in the general purpose financial report. The legislation is available at: <http://www.fwa.gov.au/index.cfm?pagename=legislationfwoact>

Updating references to Fair Work (Registered Organisations) Act 2009

Please update the legislative references in the committee of management statement. The RAO Schedule is now the *Fair Work (Registered Organisations) Act 2009* and the RAO Regulations is the *Fair Work (Registered Organisations) Regulations 2009*. The Industrial Registrar should be referred to as the General Manager.

If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Tuesdays – Fridays) or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely

Cynthia Lo-Booth
Organisations, Research and Advice



FAIR WORK
AUSTRALIA

6 January 2011

Mr Christopher Cotching
Branch President
Australian Principals Federation
Victorian Branch
Unit 2/13-21 Vale Street
NORTH MELBOURNE VIC 3051

By email: apf@apf.net.au

Dear Mr Cotching

**Fair Work (Registered Organisations) Act 2009 – (RO Act)
Financial report for year ended 30 June 2010 – FR2010/2777**

I acknowledge receipt of the financial report for year ended 30 June 2010 for the Victorian Branch of the Australian Principals Federation. The document was lodged with Fair Work Australia (FWA) on 15 December 2010.

The financial report has been filed.

Although the financial report has been filed please note the following comments relating to issues arising out of the filed financial report. These comments are made to assist you in the preparation of future financial reports and no further action is required in respect to the filed financial report.

Operating Report - number of employees

The operating report should provide details of the number of employees at the end of the financial year on a full-time equivalent basis. I note this information was provided in the notes to the financial statement but it is a requirement under regulation 159(b) of the *Fair Work (Registered Organisations) Regulations 2009* that this information appear in the operating report.

Notes to the financial statement - reproduction of s.272(1), (2) and (3) of RO Act

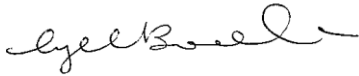
Section 272(5) requires subsections 272(1), (2) and (3) be reproduced in the general purpose financial report. Please ensure this is done in future. The legislation is available at: <http://www.fwa.gov.au/index.cfm?pagename=legislationfwoact>

Updating references to Fair Work (Registered Organisations) Act 2009

Please update the legislative references in the committee of management statement. The RAO Schedule is now the *Fair Work (Registered Organisations) Act 2009* and the RAO Regulations is now the *Fair Work (Registered Organisations) Regulations 2009*. The Industrial Registrar should now be referred to as the General Manager.

If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Tuesdays – Fridays) or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth
Tribunal Services and Organisations



Australian Principals Federation

APF

Unit 2/ 13-21 Vale Street
North Melbourne Vic 3051
Phone: 03 9320 7100
Fax: 03 9326 8147
Email: apf@apf.net.au

440 Vincent Street West
Leederville WA 6007
Phone: 08 6380 2344
Fax: 08 6380 2955
Email: apf@apf.net.au

Certificate of Secretary or Other Authorised Officer
2010 -11 Australian Principals Federation
Vic Branch

I, Christopher Cotching, being the President of the Australian Principals Federation Victorian Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 27 October 2011 ; and
- that the full report was presented to the Committee of Management held on 18 November 2011.

Chris Cotching
President
Date: 18th November 2011

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

CONTENTS

	Page
Operating Report	3
Financial Statements	8
Committee of Management Statement	20
Independent Audit Report	21

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2011

Principal Activities

The core business of the organisation is to provide effective advice and support to Principal Class Officers as well as representing and advocating for them with the employer, in relation to matters such as classification and salary; contractual issues including matters of tenure and renewal processes; retirement and resignation; Work Cover; complaints resolution; disciplinary action; performance management and related issues.

Throughout the current period the APF has continued to support members and negotiate in relation to matters emanating from the implementation of the *Victorian Government Schools Agreement 2008*. Such discussions and negotiations have continued in relation to the Memorandum of Understanding that was concluded between the APF and the Victorian Government for Principal Class Officers.

As a significant stakeholder the APF has representation on a range of consultative committees established by the employer. In particular, this has enabled the APF to influence outcomes that impact upon the working conditions and entitlements of Principal Class Officers in relation to a plethora of employer led policy imperatives.

Significant progress was also made in matters outside the above agreements relating to contract renewal and a revision of the process relating to the management of complaints, misconduct and unsatisfactory performance of Principal Class Officers. Furthermore, significant resources were expended to enable the APF to advocate on behalf of individuals in relation to a myriad of issues, and subsequently obtain successful outcomes for those involved.

Of continuing concern and focus has been our representations and negotiations relating to the unrelenting workload and expectations demanded of Principal Class Officers across Victoria, as they earnestly endeavour to implement Government policy. This has escalated in the current period due in part to a combination of factors, not least being the burgeoning demands created as a result of State – Federal initiatives and those generated by Network and Regional bureaucracies.

Prior to the election of the current Government in Victoria the APF continued to make representations to Members of Parliament, Ministers and Shadow Ministers and other senior bureaucrats with a view to influencing the working conditions and entitlements of Principal Class Officers.

Significant Changes

Increasingly Principal Class officers are becoming aware of the need for an industrial organisation to safeguard and promote their interests. As one of the most devolved education systems in the Organisation for Economic Co-operation and Development and yet paradoxically, as one of the most bureaucratized, the Victorian system presents escalating challenges for Principal Class Officers. The corollary of intense and unrelenting demands for policy implementation by Principal Class Officers has resulted in a system where practical support from the employer is increasingly acknowledged as wanting at best, and more widely perceived as non-existent. Principal Class Officers are increasingly reporting a sense of being isolated, marginalised and forgotten by the employer.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2011

Significant Changes (continued)

Furthermore, as the gulf between the interests of teachers and Principal Class Officers has become more apparent the latter have increasingly sought interest and advice from our organisation. More significantly, whilst such officers have been members of professional associations there is a wider recognition that industrial protection from the APF is increasingly needed and is a separate function to the services provided by a professional body.

The renewed interest in membership is partly a result of Principal Class Officers recognising that they work in a system characterised by driven demands for policy change and implementation, and the concomitant potential for conflict at a range of levels. We expect that this will continue into the future.

A range of initiatives have contributed positively to the operational viability of the Australian Principals Federation. These include but are not limited to:

- the provision of an updated interactive website;
- improvements in documentation and support to State Councillors and members;
- the establishment of a range of representational, advocacy and reporting arrangements at the bureaucratic and political levels;
- membership drive with high levels of presence and connectedness.
- significant responsiveness to existing member needs and emerging interests.
- Increased and regular communication via newsletters, presentations to groups and emails on specific issues.
- extensive consultations across the State with members in preparation for the development of a log of claims and the next EBA process.
- increased attraction and support from sponsors.

Over the last few months social networking has burgeoned in intensity. Following significant legal representations to the Secretary I am pleased to advise the DEECD has taken positive steps in addressing the issues in this area. Recently the APF provided timely feedback on the emerging document *Using Social Media: Advice for DEECD Employees in Educational Settings*. The focus of the APF is on the use of such media against Principal Class Officers. Whilst such links as *Learning on Line* have provided valuable material for managing such issues as they affect students and staff, at the APF we are concerned about the lack of demonstrative support and action where Principal Class Officers, as employees are the target of such campaigns, particularly from members of the public. We look to furthering the matter in order that Principal Class Officers are supported, protected and legally advocated for in such circumstances.

Additionally the APF has increased in representation on a further range of consultative forums conducted by the employer. These have included representation on the Ministerial Advisory Committee regarding Election Commitments; the Student Resource Package Consultative Committee. The Principal Data Advisory Group and others including the Ultra net Stakeholders Committee.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2011

Significant Changes (continued)

Furthermore, as a result of the application of Section 26A of the *Fair Work Australia Act 2009* the Australian Principals Federation has been continually registered since January 2006. This is not insignificant in reflecting the industrial status of our organisation, nor in communicating with confidence our capacity to represent the industrial interests of Principal Class Officers into the future.

Right to Resign

A members' right to resign is regulated by Section 174 of the Fair Work (Registered Organisations) Act 2009 and is covered by Rule 12 which provides *inter alia* that a member may resign by written notice addressed and delivered to the President.

Trustee of Superannuation Entity

The APF has no officers or members who are trustees of a superannuation entity or of an exempt public sector superannuation scheme or as a director of a company that is a trustee of such an entity or scheme.

Number of Members

The number of financial members of the APF Victorian Branch as at 30 June 2011 was 898.

Number of Employees

The APF had 2 (EFT) employees in the reporting period.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2011

Committee of Management (APF Victorian Branch Council)

For the entirety of the financial year, 1 July 2010 to 30 June 2011, the individuals listed below (**Table 1**) held office of the Australian Principals Federation - Victorian Branch Council unless otherwise stated. AEC Elections for all positions was declared on 29 November 2010. (**Table 2**)

Table 1

Name	Sector	Constituency
Kevin Mackay	Primary	Statewide Victorian
David Finnerty	Secondary	Statewide Victorian
Jeff Douma	Primary	Barwon South West Region
Vacant	Secondary	Barwon South West Region
Wendy Inman	Primary	Gippsland Region
Vacant	Secondary	Gippsland Region
Vacant	Primary	Grampians Region
Vacant	Secondary	Grampians Region
Elizabeth Lloyd	Primary	Hume Region
John Pryor	Secondary	Hume Region
Position vacant	Primary	Loddon Mallee Region
Christopher Eeles	Secondary	Loddon Mallee Region
Chris Cotching	Primary	Eastern Metropolitan Region
Fred Wubbeling (retired 12/ 07/2010) John Handley (21/07/2010 Section 47 Part 23 (b))	Secondary	Eastern Metropolitan Region
Loretta Piazza	Primary	Northern Metropolitan Region
Branko Lukic	Secondary	Northern Metropolitan Region
Victoria Golding	Primary	Southern Metropolitan Region
Vacant	Secondary	Southern Metropolitan Region
Peter Kearney	Primary	Western Metropolitan Region
Rod Kendall	Secondary	Western Metropolitan Region

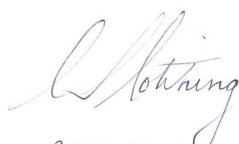
**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

OPERATING REPORT FOR THE FINANCIAL YEAR 2011

Committee of Management (APF Victorian Branch Council) (continued)

Table 2

Name	Sector	Constituency
Chris Cotching	Primary	Statewide Victorian
David Finnerty	Secondary	Statewide Victorian
Jeff Douma	Primary	Barwon South West Region
Barry Rowland (13/05/2011 Section 47 Part 23(B))	Secondary	Barwon South West Region
Wendy Inman	Primary	Gippsland Region
Leonie McCluskey	Secondary	Gippsland Region
Vacant	Primary	Grampians Region
Vacant	Secondary	Grampians Region
Elizabeth Lloyd	Primary	Hume Region
John Pryor	Secondary	Hume Region
Position vacant	Primary	Loddon Mallee Region
Christopher Eeles	Secondary	Loddon Mallee Region
Ian Sloane	Primary	Eastern Metropolitan Region
John Handley	Secondary	Eastern Metropolitan Region
Loretta Piazza	Primary	Northern Metropolitan Region
Branko Lukic	Secondary	Northern Metropolitan Region
Kevin Mackay	Primary	Southern Metropolitan Region
Julie Podbury	Secondary	Southern Metropolitan Region
Peter Kearney	Primary	Western Metropolitan Region
Rod Kendall	Secondary	Western Metropolitan Region



Chris Cotching
President
21 October 2011

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
INCOME	\$	\$
Subscriptions		
- Primary Members	52,142	56,568
- Secondary Members	13,636	19,080
- Direct Payments	223,642	174,652
	-----	-----
	289,420	250,300
Reimbursements	99,765	86,929
Interest Received	1,091	1,312
Sponsorships	23,932	20,682
	-----	-----
	414,208	359,223
	-----	-----
LESS EXPENDITURE		
Occupancy and Office Expenses	121,014	103,338
APF Office Expenses	19,775	14,543
Wages & Salaries APF	201,305	243,651
Motor Vehicle Expenses	7,104	13,274
Finance Expenses	9,662	14,819
Consultancies	2,350	400
Meeting Expenses	5,076	7,990
Affiliation Expenses – Federal Branch	3,950	4,595
Loss on Disposal of Assets	-	1,576
	-----	-----
	370,236	404,186
	-----	-----
Other Comprehensive Income		
Other Comprehensive Income for the Year	-	-
	-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	43,972	(44,963)
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	NOTE	2011 \$	2010 \$
CURRENT ASSETS			
Cash	3	47,192	35,398
Receivables	4	19,598	13,417
		-----	-----
TOTAL CURRENT ASSETS		66,790	48,815
		-----	-----
NON-CURRENT ASSETS			
Plant & equipment	5	44,806	27,080
		-----	-----
TOTAL NON-CURRENT ASSETS		44,806	27,080
		-----	-----
TOTAL ASSETS		111,596	75,895
		-----	-----
CURRENT LIABILITIES			
Creditors and borrowings	6	42,757	40,346
Employee benefits	7	560	5,624
		-----	-----
TOTAL CURRENT LIABILITIES		43,317	45,970
		-----	-----
NON-CURRENT LIABILITIES			
Employee benefits	7	10,227	7,607
		-----	-----
TOTAL NON-CURRENT LIABILITIES		10,227	7,607
		-----	-----
TOTAL LIABILITIES		53,544	53,577
		-----	-----
NET ASSETS		58,052	22,318
		=====	=====
MEMBERS' EQUITY			
Reserves	8	103,602	111,840
Retained Profits/(Accumulated Losses)		(45,550)	(89,522)
		-----	-----
TOTAL MEMBERS' EQUITY		58,052	22,318
		=====	=====

**THE AUSTRALIAN PRICIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTE	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Subscriptions		284,966	255,990
Reimbursements		99,765	86,929
Payments to suppliers and employees		(369,477)	(433,122)
Interest received		1,091	1,312
Sponsorship		23,932	20,682
		-----	-----
Net cash provided by (used in) operating activities	9	40,277	(68,209)
		-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of fixed assets		-	11,818
Fixed asset purchases		(28,483)	(3,211)
		-----	-----
Net cash provided by (used in) investing activities		(28,483)	8,607
		-----	-----
Net increase (decrease) in cash held		11,794	(59,602)
		-----	-----
Cash at the beginning of the financial year		35,398	95,000
		-----	-----
Cash at the end of the financial year	3	47,192	35,398
		=====	=====

**THE AUSTRALIAN PRICIPALS FEDERATION
VICTORIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

2011	Retained Profits \$	Reserves \$	Total \$
Beginning of the financial year	(89,522)	111,840	22,318
Movement for the year	43,972	(8,238)	35,734
	-----	-----	-----
End of the financial year	(45,550)	103,602	58,052
	=====	=====	=====
2010	Retained Profits \$	Reserves \$	Total \$
Beginning of the financial year	(44,559)	112,905	68,346
Movement for the year	(44,963)	(1,065)	(46,028)
	-----	-----	-----
End of the financial year	(89,522)	111,840	22,318
	=====	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the entity Australian Principals Federation Victorian Branch, as an individual entity. This organisation is registered under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia. In accordance with the Act the Federation is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Federation is not subject to the Corporations Act 2001.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements imposed by the reporting guidelines of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for major activities as follows:

(i) Subscriptions

Subscriptions are recognised on receipt from members.

(ii) Reimbursements

Reimbursements are recognised on receipt from associations in which business agreements are held. The Foundation receives reimbursements from these associations for office expenses incurred.

(iii) Interest income

Interest income is recognised on a time proportion basis taking into account the interest rates applicable to the financial assets.

(iv) Donations and Sponsorships

Donations and sponsorships are recognised on receipt of the funds.

(c) Income Tax

The Federation is exempt from the payment of income tax pursuant to Section 50 of the Income Tax Assessment Act 1997.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2011**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(g) Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2011**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Plant and Equipment (continued)

Depreciation is calculated on the straight line basis to write off the net cost of each fixed asset during its expected useful life. The principal annual rates in use are:

Motor Vehicles	22.5%
Office Furniture and Equipment	10%-25%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1 (d)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(h) Creditors and Borrowings

These amounts represent liabilities for goods and services provided to the Federation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. The legal fund amounts represent monies collected from members for legal support and industrial representation.

(i) Employee benefits

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave are recognised in current provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long Service Leave

A liability for long service leave is recognised in the provision for employee benefits, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2011**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leases

Leases of plant and equipment where the Federation, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased item or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Federation as lessee are classified as operating leases (note 13). Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

(k) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Federation has assessed the impact of these new standards and interpretations and is not expecting a significant impact on the financial statements.

2. EXPENSES	2011	2010
	\$	\$
Operating profit (loss) includes the following specific expenses:		
Depreciation of plant and equipment	10,211	8,168
Provisions – employee entitlements	(2,442)	3,669
	-----	-----
	7,769	11,837
	=====	=====

3. CASH

Cash on Hand	232	237
General Cheque Account	29,109	18,382
Term Deposits	17,851	16,779
	-----	-----
	47,192	35,398
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2011**

	2011	2010
	\$	\$
4. RECEIVABLES		
Trade Debtors	17,870	13,417
Sundry Debtor – APF Federal	1,728	-
	-----	-----
	19,598	13,417
	=====	=====
5. PLANT & EQUIPMENT		
Motor Vehicles - Cost	14,545	-
Less Accumulated Depreciation	(545)	-
	-----	-----
	14,000	-
	-----	-----
Office Furniture & Equipment - Cost	49,106	47,436
Less Accumulated Depreciation	(18,300)	(20,356)
	-----	-----
	30,806	27,080
	-----	-----
	44,806	27,080
	=====	=====
6. CREDITORS & BORROWINGS		
Trade Creditors	18,517	28,372
Accrued Expenses	4,722	9,135
GST Liability	4,202	2,839
Hire Purchase Liability	15,316	-
	-----	-----
	42,757	40,346
	=====	=====
7. EMPLOYEE BENEFITS		
Current Annual Leave	560	5,624
Non Current Long Service Leave	10,227	7,607
	-----	-----
	10,787	13,231
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

8. RESERVES	2011	2010
	\$	\$
(a) Legal Fund	103,602	111,840
	=====	=====
(b) Movements		
Balance 1 July	111,840	112,905
Member's subscriptions received	18,091	45,887
Legal fees paid	(26,329)	(46,952)
	-----	-----
Balance 30 June	103,602	111,840
	=====	=====
(c) The legal fund contains member's subscriptions received to cover legal fees such as registration and member issues.		
 9. CASH FLOW INFORMATION	 2011	 2010
	\$	\$
Reconciliation of Net Cash Provided by Operating Activities with Net Income:		
Net Income/(loss)	43,972	(44,963)
Non-cash flows in net income:		
Depreciation	10,211	8,168
Loss on Sale of Assets	-	1,576
Changes in assets and liabilities:		
Decrease/(increase) in receivables	(6,181)	5,690
Increase/(decrease) in creditors & borrowings	2,411	(41,283)
Increase/(decrease) in legal fund	(8,238)	(1,065)
Increase/(decrease) in provisions	(1,898)	3,668
	-----	-----
Net Cash provided by (used in) operating activities	40,277	(68,209)
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

10. REMUNERATION OF AUDITORS	2011	2010
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor of the entity:		
<i>Audit services</i>		
Mark Costigan & Associates		
Audit and review of financial reports and other audit work	4,950	4,730
<i>Other Services</i>		
Mark Costigan & Associates		
Advice regarding the AIRC Act	-	2,200
Advice regarding cash flow projection	-	770
Taxation services	462	462
	-----	-----
	5,412	8,162
	=====	=====

11. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Short-term employee benefits	125,035	146,848
Other Long-term employee benefits	-	-
	-----	-----
	125,035	146,848
	=====	=====

(b) Transactions with related parties

There are no transactions between the Federation and committee members for the supply of goods or services other than in the normal relationship between the Federation and a member. Transactions between the Federation and committee members are on the same terms and conditions available to all other members.

12. EMPLOYEES

The Federation employed 2 employees at 30th June 2011.

**THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

13. LEASE COMMITMENTS

Commitments in relation to leases contracted for at the reporting date, but not recognised as liabilities, payable:

	2011	2010
	\$	\$
Within one year	7,928	-
Later than one year, but not later than five years	15,857	-
	-----	-----
	23,785	-
	=====	=====

14. GOING CONCERN

Attention should be drawn to the statement of changes in equity which indicates that the Federation derived a profit of \$43,972, which reduced the accumulated losses to \$45,550 (2010: \$89,522).

The Committee of Management have prepared a detailed cash flow projection and business plan for the next financial year and based on these projections are confident that the Federation will continue to trade profitably and will recoup these losses during this period.

**THE AUSTRALIAN PRICIPALS FEDERATION
VICTORIAN BRANCH**

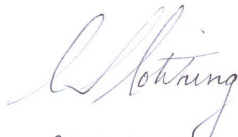
**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

On 21 October 2011 the Committee of Management of The Australian Principals Federation passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2011.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member of Registrar; and
 - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
 - (i) there has been no such activity undertaken by the reporting unit.

For Committee of Management



Chris Cotching
President
21 October 2011

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN PRINCIPALS FEDERATION
VICTORIAN BRANCH**

We have audited the financial report of the Australian Principals Federation Victorian Branch for the year ended 30 June 2011. The financial report includes the financial statements of the Federation and the Committee of Management Statement.

Committee Members' Responsibility for the Financial Report

The committee of the Australian Principals Federation Victorian Branch are responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and is appropriate to meet the needs of the members. The committees' responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Federation's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee members', as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Australian Principals Federation Victorian Branch as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with:

- (a) the Australian Accounting Standards; and
- (b) The requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Australian Principals Federation Federal Office to meet the requirements of the Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. As a result, the financial report may not be suitable for another purpose.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 14 in the financial report which indicates that the Federation derived a profit of \$43,972 for the year which has reduced its accumulated losses to \$45,550. The existence of these losses may cast doubt about the Federation's ability to continue as a going concern.

MARK COSTIGAN & ASSOCIATES Chartered Accountants



**Mark A. Costigan
Registered Company Auditor**

Member of the Institute of Chartered Accountants in Australia holding a current Public Practice Certificate

**Lilydale Victoria
21 October 2011**